GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7189
ANSWERED ON:12.05.2000
GOLD DEPOSIT SCHEME QUESTION
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Will the Minister of FINANCE be pleased to state:

(a) the total amount of gold deposited under recently launched Gold Deposit Scheme in various public sector banks, as on date and the amount of interest paid on it, bank-wise;

(b) whether the gold deposited under the scheme fall short of the target;

(c) if so, the main reasons for lacklustre performance of the scheme; and

(d) the steps taken by the Government to mobilize the privately held gold to curtail import of the yellow metal?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a)The amount of gold deposited under the Gold Deposit Scheme in various banks which have launched the scheme, as on 30th April 2000, is given below:

State Bank of India	3871.15	kgs
Corporation Bank	116.85	kgs
Indian Overseas Bank	34.85	kgs
Allahabad Bank	9.50	kgs

As regards payment of interest, the designated bank shall pay interest at such rate and at such intervals as it may decide, subject to the interest rate directive on gold deposits issued by the Reserve Bank of India. As on 31st March 2000, the State Bank of India had paid Rs. 66.03 lakhs as interest to the depositors under the scheme.

(b) & (c) No targets were fixed under the scheme. This is a new scheme and the response so far has been encouraging.

(d) The Scheme was launched by the Government with a view to bringing privately held gold in circulation, reducing the country`s reliance on import of gold and providing its owners with some income. The interest on the deposit certificates is exempt from income tax, the appreciation in gold is exempt from capital gains tax and deposits are free from wealth tax.